

Individual Budgets Evaluation: A Summary of Early Findings

The Individual Budget pilots were launched by the Government as a key initiative in the modernisation of social care and public services, placing choice firmly in the hands of its users and their families. Building on Direct Payments, *in Control* and other approaches for nurturing greater self-directed support, Individual Budgets (IBs) aspire to bring a wider range of funding streams under a simple, user-controlled budget to buy social care services.

But will they work? Before committing to wholesale policy change, the Government wanted IBs to be subject to a full and holistic evaluation strategy, being conducted by the Personal Social Services Research Unit, the Social Policy Research Unit, and the Social Care Workforce Research Unit. These are still early days in both the evaluation and policy implementation, but we have begun to learn from the research so far.

From interviews conducted between July and November 2006 we can report on four aspects of IBs – though these must be interpreted as emerging themes rather than a full assessment of the pilot (which runs to spring 2008). These are:

1. **The first phases of implementation;**
2. **Training and development;**
3. **Costs of setting up IBs;**
4. **Early experiences and views from the first IB recipients.**

1. The first phases of implementation

Interviews were conducted between July and November 2006 with all 13 IB pilot sites to discuss the early stages of implementation. Mostly these were with project managers, but in some sites we were able to include the views of assistant directors, service team leaders and social workers.

The findings showed a wide variety of models being tested through this pilot, from more cautious developments to very innovative experiments. Key findings include:

- IBs are being piloted in a variety of different Local Authority contexts. In some sites IBs seem to be a natural progression from an existing high Direct Payment performance or experiences of *in Control*, whereas in others they are seen as a way to challenge and change existing practices and to modernise more traditional social care provision.
- There are a wide variety of approaches to the assessment of needs, involving users, carers and social workers in different roles. A more conservative approach involves care managers leading the assessment process in consultation with users; other approaches are almost entirely dependent on self-assessment questionnaires.
- In all sites Resource Allocation Systems (RASs) are being developed to turn these assessments into IBs – but these are taking time to develop and test. In most sites (but not all) different RASs are being implemented for different client groups and with different ‘pounds per point’ – though the Department of Health (DH) have since requested that a single RAS is developed over time covering all groups.
- Re-allocating money systematically according to needs and priorities has led to some ‘winners and losers’ compared to the existing system. Where support packages are considerably less, local authorities are commonly offering ‘transitional payments’ to act as a temporary buffer.

- Integrating or aligning certain funding streams (e.g. *Disabled Facilities Grant* and *Independent Living Fund*), where there are strict criteria or legislative barriers to flexible use, has proved problematic. By contrast, aligning *Supporting People* and *Integrated Community Equipment Services* were commonly thought to be more straight-forward. Good relationships with local representatives from each stream were seen as essential.
- Sites are taking different approaches to roll-out, but in most cases are beginning with one client group or one geographical area first. This pragmatic approach is both to test early systems and spread the workload over time.
- Delivering IBs to mental health service users is taking longer than others. Self-directed support is seen as more complicated to deliver, and some NHS workers in integrated mental health teams are reported to be cautious about this new approach.
- Support planning and brokerage services were at an embryonic stage in most sites. There were examples of specific posts being created to provide this service in-house, and of existing Direct Payment support service contracts being extended initially to assist with IBs. However sites recognise that both options may have limited capacity and most aim to nurture the capacity of private and voluntary sectors to provide these services in the future.
- In all sites it was clear that IBs offer a challenge to financial planning, in keeping the packages cost-neutral. Most sites were top-slicing global budgets by 10–25% to create a financial safety net and fund the transitional payments noted above. Risk also came from the unknown potential for new demand from eligible (but previously self-sufficient) users.
- Other risks to financial planning include the problem of costing in-house service provision and the difficulty of aligning IB assessment processes with charging policies.

2. Training and development

Separate telephone interviews with training managers, project leads (and in one site an occupational therapist consultant) were conducted to look at the early implications of IBs for staff training and development. Findings include:

- In six sites the budget for training has been allocated from the DH project grant, whilst in three sites funds have come from core training monies. Three sites have allocated money from both.
- The extent of training activities varied widely between sites, but common themes include:
 - ▶ All sites involved frontline staff in either training on the processes and principles of IBs or awareness raising events. Most also invited service users to similar events;
 - ▶ Training for managers was an important activity for many sites to support the implementation;
 - ▶ Training and communication activities also extended more widely within authorities and to partner agencies, providers and personal assistants in a smaller number of cases.
- The overall level of investment in training appeared related to the status of the pilot within authorities and whether IBs were already perceived as a core activity, rather than being dependent upon the success of the project.
- Barriers to effective training included the perceived professional threat to care managers; resistance to change; the timing of training in relation to the development of the project; and organisational restructuring.
- Opportunities lay in some care managers' enthusiasm for redefining professional roles; links to other policy initiatives and funding streams; and senior management endorsement for IBs.

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3. The costs of setting up IBs

Between August and November 2006 our researchers gathered data from 12 of the IB pilot sites to investigate the costs involved in setting up IBs.

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There are a number of crucial caveats that should be considered when interpreting these results:

- 1** The research aimed to identify the resource implications of rolling out IBs to other local authorities once the pilot phase was complete. Consequently, the estimates related only to set-up (i.e. not ongoing running costs) and assumed that issues arising during the pilot had been resolved (e.g. national decisions on funding stream integration have been taken).
- 2** Pilot authorities were extremely helpful in providing their best estimates under difficult circumstances. But these estimates were necessarily approximate due both to the assumptions that needed to be made and because expenditure data were sometimes incomplete.
- 3** Finally, the research team made assumptions to ensure that as far as possible consistent cost estimates were presented. It is also important to bear in mind that there were a small number of authorities and a variety of different contexts, resulting in a wide spread of estimates.

With these caveats in mind, the findings are:

- The range in implementation arrangements and distribution of responsibilities meant that overall cost estimates for the first year of implementation were the most reliable. The total mean cost of setting up IBs in the first year was estimated at around £270,000. It was necessary to make a number of assumptions about the second year, but on the basis of these we estimated further costs of between £140,000 and £170,000.
- Within this total we can identify estimated average costs for different components. In particular:
 - ▶ A critical feature of implementation is systems development, such as the processes for assessment, allocation, financial administration and review. In addition to the input by the project management team these were estimated to cost around £43,000;
 - ▶ Specific expenditure on workforce development, through training and information-sharing events and seminars, amounted to around £13,000 per site;
 - ▶ Support planning and brokerage costs are incurred through work with partner organisations to fund these services, and developmental work through focus groups and awareness-raising. On average these cost around £50,000 per site.
- The salaries of the implementation teams constitute the bulk of the remaining costs – but these averages are not very meaningful on their own, because authorities varied considerably on the degree to which these teams were involved in IB activities.
- The costs shown here are an average, but there was considerable variation by pilot site. Lower costs can be expected if IB systems can easily be located within existing infrastructure such as local IT systems. By contrast, higher costs are anticipated when IBs are offered to multiple client groups and to more service users (though authorities tended to feel that this was a more effective approach overall).

4. Experiences of early Individual Budget recipients

During October 2006, 14 interviews were conducted with IB recipients in four pilot sites, to investigate early views and experiences. Interviewees included older people, people with a learning disability, mental health service users and people with physical and/or sensory impairments.

Whilst these interviews highlight the real potential for IBs, they must be viewed in context. In particular:

- 1 Early cases may be unrepresentative of users who will receive IBs in the longer-term. They may have been 'cherry-picked' to receive IBs, or to be interviewed, and more complex cases may have been avoided.
- 2 Seven of the 14 interviewees were not actually in receipt of their IB at the time of interview, as these were still waiting to be signed-off. These findings are therefore focussed on the processes they had experienced to that point.
- 3 Many of the support facilities at this early stage were still in development. These findings should therefore not be seen as the outcome of a fully-developed IB process.

The interviews nevertheless obtained some useful insights:

- Positive views emerged about the potential for IBs to improve the long-term quality of life by offering more choice and control, rather than just focussing on routine personal care.
- Interviewees had to think creatively 'outside the box' in developing their support plans and sometimes needed help with this. Early support plans seem to focus on personal assistance, but already they were being extended to include transport, small pieces of equipment and the 'little things' important to individuals' self-esteem and social inclusion – such as visits to the hairdresser.
- 'Freedom' and 'independence' were terms commonly associated with IBs. Most notably IBs were seen as more flexible than other forms of support, for example in meeting fluctuating needs. IBs were also seen as simpler to manage than Direct Payments.
- There were conflicting views about the possible impact of IBs on informal carers and families. On the one hand, IBs could give more opportunity for longer-term support to help relieve the pressures on informal carers – 'family can become family again'. But for others, the management of support arrangements required even greater input from families and friends, and this was a particular problem when the IB was less than the value of existing support services.
- There were mixed views over the IB processes. Self-assessment was seen positively by some, being more empowering and simpler than conventional approaches. However others felt there was insufficient information and were confused over what they could and could not use their Individual Budget for, and the different funding streams involved. The process also seemed lengthy at this early stage of implementation.
- A strong theme to emerge was the importance of support outside of the users' own caring networks. Access to free brokerage, professional advocates and/or mentoring by someone who has been through the process were seen as crucial to getting the most out of IBs. Without this support interviewees thought it would be difficult for IBs to work for people with complex support needs, who have little family support, or who do not want to rely on their families for help with managing their IB.

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